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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION



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PRODUCER CLASS I PRICE IN MONTANA

REF. ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$16.19 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$2.28 /LB

EFFECTIVE MAY 1, 2004:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.19 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 22.8 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.28.

PRODUCER CLASS II PRICE IN MONTANA

REF. ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$13.97 /CWT

Average spray process dry milk solids

price per pound	=	\$0.87250
Multiplied by 8.2	x	8.2

\$7.15450 \$7.15450

Last quote of the month for Grade AA butter

minus a differential of \$0.895	=	\$1.93300
Multiplied by 4.2	x	4.2

\$7.15450 \$7.15450

\$8.11860

+ \$8.11860

LESS a make allowance of 8.5% (\$15.2731 X .085)

- \$15.27310

- \$1.29821

=====

\$13.97489

Rounded to the nearest whole cent = \$13.97 /hundredweight.

EFF: May 1, 2004

CLASS II BUTTERFAT PRICE PER POUND		\$2.15 /LB
Last quote of the month for Grade AA butter		
minus a differential of \$.0895	=	\$1.93300 X .111)
Rounded to the nearest half cent	=	\$0.21456
	=	\$0.215
Butterfat value per pound for milk at 3.5% test:		\$2.15
Hundredweight price of milk testing 3.5%		
LESS 3.5 pounds of butterfat at	\$2.15 per pound	= \$13.97
Value of 96.5 pounds of skim	-	\$7.525
	=	\$6.445
CLASS II VALUE OF ONE POUND OF SKIM		6.445 / 96.5 pounds) = \$0.06679 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%		\$11.82 /CWT
3.5 pounds of butterfat	\$1.74 per pound =	\$6.090
96.5 pounds of skim	\$0.05938 per pound =	\$5.730
		\$11.820 /CWT

CLASS III BUTTERFAT PRICE PER POUND		\$1.74 /LB
Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.93300
LESS 10%	-	\$0.19330
		\$1.73970

Rounded to the nearest whole cent = \$1.74 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED		\$5.93824 /CWT
Avg. spray process dry milk solid price/lb :	\$0.87250	
Multipled by 8.2	8.2	
		\$7.15450
LESS 17%		\$1.21627
		\$5.93824

Rounded to the nearest whole cent \$5.94 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.19 FOR 3.5% MILK 96.5 LBS = \$8.210		CLASS II SKIM PRICE BASED ON \$13.97 FOR 3.5% MILK 96.5 LBS = \$6.445		CLASS III SKIM PRICE BASED ON \$11.82 FOR 3.5% MILK 96.5 LBS = \$5.730	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.08421	2.50	\$0.06610	2.50	\$0.05877
2.55	\$0.08425	2.55	\$0.06614	2.55	\$0.05880
2.60	\$0.08429	2.60	\$0.06617	2.60	\$0.05883
2.65	\$0.08433	2.65	\$0.06620	2.65	\$0.05886
2.70	\$0.08438	2.70	\$0.06624	2.70	\$0.05889
2.75	\$0.08442	2.75	\$0.06627	2.75	\$0.05892
2.80	\$0.08447	2.80	\$0.06631	2.80	\$0.05895
2.85	\$0.08451	2.85	\$0.06634	2.85	\$0.05899
2.90	\$0.08455	2.90	\$0.06637	2.90	\$0.05902
2.95	\$0.08460	2.95	\$0.06641	2.95	\$0.05905
3.00	\$0.08464	3.00	\$0.06644	3.00	\$0.05908
3.05	\$0.08468	3.05	\$0.06648	3.05	\$0.05911
3.10	\$0.08473	3.10	\$0.06651	3.10	\$0.05914
3.15	\$0.08477	3.15	\$0.06655	3.15	\$0.05917
3.20	\$0.08481	3.20	\$0.06658	3.20	\$0.05920
3.25	\$0.08486	3.25	\$0.06661	3.25	\$0.05923
3.30	\$0.08490	3.30	\$0.06665	3.30	\$0.05926
3.35	\$0.08495	3.35	\$0.06668	3.35	\$0.05929
3.40	\$0.08499	3.40	\$0.06672	3.40	\$0.05932
3.45	\$0.08503	3.45	\$0.06675	3.45	\$0.05935
3.50	\$0.08508	3.50	\$0.06679	3.50	\$0.05938
3.55	\$0.08512	3.55	\$0.06682	3.55	\$0.05941
3.60	\$0.08517	3.60	\$0.06686	3.60	\$0.05944
3.65	\$0.08521	3.65	\$0.06689	3.65	\$0.05947
3.70	\$0.08525	3.70	\$0.06693	3.70	\$0.05951
3.75	\$0.08530	3.75	\$0.06696	3.75	\$0.05954
3.80	\$0.08534	3.80	\$0.06700	3.80	\$0.05957
3.85	\$0.08539	3.85	\$0.06703	3.85	\$0.05960
3.90	\$0.08543	3.90	\$0.06707	3.90	\$0.05963
3.95	\$0.08548	3.95	\$0.06710	3.95	\$0.05966
4.00	\$0.08552	4.00	\$0.06714	4.00	\$0.05969
4.05	\$0.08557	4.05	\$0.06717	4.05	\$0.05972
4.10	\$0.08561	4.10	\$0.06721	4.10	\$0.05975
4.15	\$0.08565	4.15	\$0.06724	4.15	\$0.05979
4.20	\$0.08570	4.20	\$0.06728	4.20	\$0.05982
4.25	\$0.08574	4.25	\$0.06731	4.25	\$0.05985
4.30	\$0.08579	4.30	\$0.06735	4.30	\$0.05988
4.35	\$0.08583	4.35	\$0.06738	4.35	\$0.05991
4.40	\$0.08588	4.40	\$0.06742	4.40	\$0.05994
4.45	\$0.08592	4.45	\$0.06745	4.45	\$0.05997
4.50	\$0.08597	4.50	\$0.06749	4.50	\$0.06000

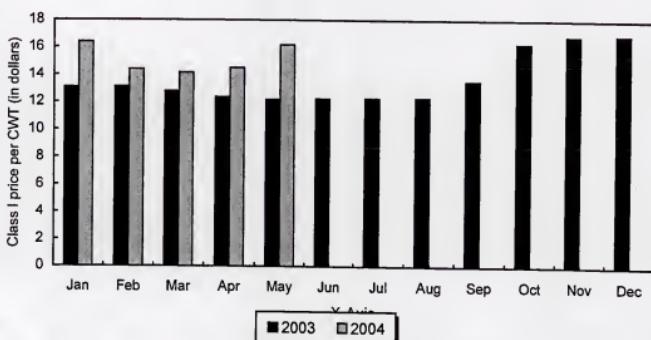
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2003 and 2004

Statistics from the Montana Milk Control Bureau

Month	2003	2004	Difference	% Change
January	\$13.07	\$16.39	\$3.32	25.40%
February	\$13.11	\$14.40	\$1.29	9.84%
March	\$12.78	\$14.14	\$1.36	10.64%
April	\$12.36	\$14.49	\$2.13	17.23%
May	\$12.19	\$16.19	\$4.00	32.81%
June	\$12.26			
July	\$12.29			
August	\$12.32			
September	\$13.52			
October	\$16.26			
November	\$16.82			
December	<u>\$16.92</u>			
Average	\$13.66	\$15.12	\$2.42	19.19%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

FEB 2004: class I = \$7.44; class II = \$0.88; Class III = \$4.01; total = \$12.33
 (calculations based upon utilization percentages of butterfat & skim)